

NSF Implementation of Uniform Guidance

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National Science Foundation
WHERE DISCOVERIES BEGIN

Speaker

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Uniform Guidance Topics

- What is it?
- How the Uniform Guide is organized
- NSF's implementation
- Significant changes to NSF policy

Uniform Guidance – What is it?

- This reform streamlines the language from eight existing OMB circulars into one consolidated set of guidance in the code of Federal regulations.
- This consolidation is aimed at eliminating duplicative or almost duplicative language in order to clarify where policy is substantively different across types of entities, and where it is not. As a result, the guidance includes sections and parts of sections which are clearly delineated by the type of non-Federal entity to which they apply.
- OMB published the Uniform Guidance in the Federal Register on December 26, 2013, and directed Federal Agencies to implement by December 26, 2014

Uniform Guidance Implementation by OMB

- On December 26, 2013, OMB published its “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (Uniform Guidance or UG), located at 2 CFR 200
 - Strengthens oversight of Federal awards to reduce the risk of waste, fraud, and abuse
 - Streamlines regulations to ease administrative burden
- A comprehensive consolidation of OMB Circulars:
 - Cost Principles: A-21, A-87, A-122,
 - Administrative Requirements: A-110 & A-102
 - Audit Requirements: A-133 & A-50
 - CFDA: A-89

Uniform Guidance Implementation by OMB

- OMB published Uniform Guidance on December 26, 2013.
- OMB released FAQs on:
 - February 12, 2014
 - August 29, 2014
 - November 2014
 - These FAQs have the full force and effect of the Uniform Guidance
- OMB conducted webinars on the Uniform Guidance on:
 - January 27, 2014
 - October 2, 2014
- OMB issued consolidated government-wide implementation on December 19, 2014
- Visit cfo.gov/cofar/ for the latest information.

Guidance Reform History

**Nov.
2009:**
Executive
Order:
Reduce
Improper
Payments

Feb 2012:
Advance
Notice of
Proposed
Guidance
(public
comments)

**Dec
2013:**
Final
Uniform
Guidance

Feb 2011:
Presidential
Memo:
Reduce
Administrative
Burden

**Feb
2013:**
Notice of
Proposed
Guidance
(public
comments)



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2 CFR 200 - Layout of the Uniform Guidance

- 6 Subparts A through F
 - Subpart A, 200.XX – Acronyms & Definitions
 - Subpart B, 200.1XX – General
 - Subpart C, 200.2XX – Pre Award – *Federal*
 - Subpart D, 200.3XX – Post Award – *Recipients*
 - Subpart E, 200.4XX – Cost Principles
 - Subpart F, 200.5XX – Audit
- 11 Appendices - I through XI

Sec. 200.XX, Acronyms & Definitions

- 200.0, Acronyms
- 200.1 through 200-99, Definitions
 - 99 separate sections and indexes
 - Applicable to all requirements (administrative, cost and audit) and all types of grantees
- Use of “should” and “must”
 - Should = best practices or recommended approach
 - Must = required

Sec. 200.1XX, General

- 200.101, Applicability
 - New table for applicability by types of award
 - T&C flow down to subrecipients
- 200.110 Effective Date
 - Agency implementation effective 12/26/14
 - Apply to awards and award increments issued after 12/26/14
 - Apply to audits for FY beginning after 12/26/14
- 200.112, Conflict of interest - New
 - Federal agencies must establish COI policies
 - Grantees must disclose in writing any potential COI in accordance with agency policy

Sec. 200.2XX, Pre-Award (Federal)

- 200.201, Grant agreements
 - Fixed amount awards are allowed - **New**
- 200.203, Notice of funding opportunities – **New**
- 200.204, Merit review of proposals – **New**
 - Must have a merit review process
 - Process must be transparent in funding opportunities
- 200.205, Review of risk of applicants
 - Must have framework for evaluating risks
 - May consider financial stability, performance history, audit reports

Sec. 200.3XX, Post- Award (Grantees)

- 200.301, Performance Management –
 - Use standard OMB-approved forms (e.g., RPPR for research awards)
 - Must relate financial data to performance
 - Feds are to provide clear performance goals, indicators and milestones
- 200.303, Internal Controls
 - Establish and maintain effective internal control over the Federal Award
 - Should be in compliance with GAO's Green Book and COSO standards

Sec. 200.3XX, Post- Award (Grantees)

- 200.313, Equipment
 - Property standards (States versus other grantees)
- 200.314, Supplies
 - Computing devices (<\$5K) are included as “supplies” - **New**

Sec. 200.3XX, Post-Award (Grantees)

- 200.331, Requirements for pass-through entities – **NEW**
 - Includes audit responsibilities (formerly in A-133)
 - Pass-through entities responsibilities:
 - Provide subaward information
 - Provide indirect cost rate
 - Perform risk assessment for subrecipient monitoring
 - Verify compliance to audit requirements
 - Report in accordance to FFATA

Sec. 200.4XX, Cost principles

- 200.407, Prior Written Approval – 22 items of cost
- 200.413, Direct costs
 - Paragraph (c) – Administrative Salaries and Wages can be direct costs - New
- 200.414, Indirect (F&A) Costs
 - Must accept approved negotiated rates, except
 - Authorized by Federal statute or regulation
 - Approved by agency head or delegate, OMB notified of deviations
 - 10% of MTDC *de minimis* IDC
 - First timers and new grantees only
 - Can be used indefinitely
 - One time four-year extension of current approved rate (final and pre-determined rates only)

Sec. 200.4XX, Cost Principles

- 200.430, Compensation – personal services
 - **New Language**
 - Removed A-21 examples
 - Internal controls are KEY
 - 200.430(i) – 9 standards for documenting personnel
 - e.g., supported by system of IC, budget estimates may be used
 - Substitute systems are allowed (430 (i) (5))
 - Use of institutional base salary for IHE

Sec. 200.4XX, Cost Principles

- 200.431, Compensation – Fringe Benefits
 - Family friendly leave - **New**
- 200.432, Conferences
 - Costs are appropriate, necessary and minimized to the Federal award
 - Allow costs for finding local dependent care

Sec. 200.4XX, Cost Principles

- 200.449, Interest
 - Section (b)(2), allow financing costs associated with patents and computer software – effective January 1, 2016
- 200.453, Materials and Supplies
 - Section (c) – may be charged as direct costs
 - Includes computing devices (defined in 200.20)

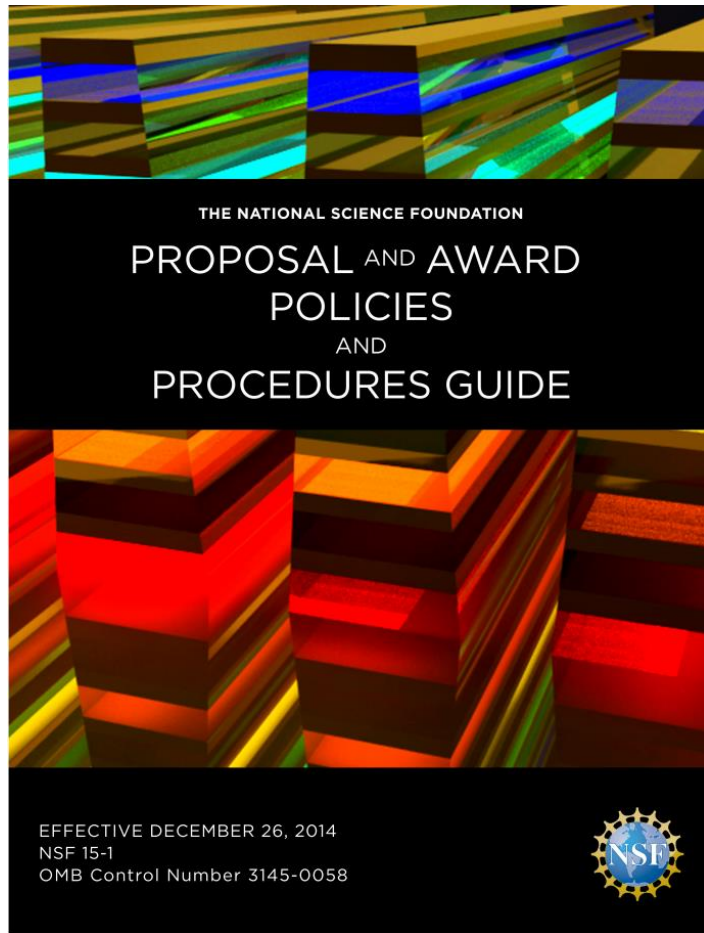
Sec. 200.5XX, Audit Requirements

- The final guidance **right-sizes the footprint** of oversight and Single Audit requirements to strengthen oversight and focus audits where there is greatest risk of waste, fraud, and abuse of taxpayer dollars.
- It improves **transparency and accountability** by making single audit reports available to the public online, and encourages Federal agencies to take a **more cooperative approach** to audit resolution in order to more conclusively resolve underlying weaknesses in internal controls.

Sec. 200.5XX, Audit Requirements

- Revisions Focus Audit On Risk
 - Increases audit threshold
 - Strengthens risk-based approach to determine Major Programs
 - Provides for greater transparency of audit results
 - Strengthens agency use of the single audit process
 - Provides for public outreach to focus Compliance Supplement on requirements of highest risk

PAPPG – Uniform Guidance Implementation



- Effective for proposals submitted or due on or after December 26
- Effective for new awards and for funding amendments on existing awards made on or after December 26

NSF's Implementation Strategy

- Since the first issuance of OMB Circular A-110, NSF has always implemented the Circular requirements via policy rather than a regulation.
- 2 CFR § 200.106, Agency Implementation specifically permits OMB to approve use of alternative implementation strategies
- NSF requested, and, OMB approved NSF's use of a policy document to implement the Uniform Guidance
- NSF is the only agency which has been granted such authority.

NSF's Implementation of the Uniform Guidance

- NSF received OMB approval to implement Uniform Guidance via the PAPPG.
- Draft PAPPG released for public comment through *Federal Register*, May 9 - July 8, 2014
- NSF published the PAPPG on November 20th, with an effective date of December 26, 2014
- NSF published revised Grant General Conditions that will be utilized for all awardees for new awards and funding amendments on existing awards made on or after December 26, 2014.
 - NSF intends to utilize the revised Research Terms and Conditions upon implementation.

PAPPG – Uniform Guidance

Significant Changes to the GPG

- Administrative and Clerical Salaries & Wages
- Travel
- Participant Support
- Materials and Supplies
- Indirect Costs
- Risk Management Framework

PAPPG – Uniform Guidance Significant Changes to the AAG

- NSF Award Conditions
- Notifications and Requests
- Cost Sharing

Uniform Guidance - NSF Deviation

- Non-Use of the Federal Financial Report Data Elements
 - Award Cash Management Service (ACM\$) and NSF Program Income Reporting Worksheet implemented as NSF's primary financial data collection mechanisms

Revision of the Grant General Conditions (GC-1), dated December 26, 2014 – Highlights

- In the absence of Research Terms and Conditions, the GC-1 was modified to implement the new Uniform Guidance for use with all recipient types
Previously, the GC-1 was used with for-profit entities and State and local governments only
- Terminology modified throughout for consistency with the Uniform Guidance
- Prior approval requirements have been updated in Article 2

Revision of the Grant General Conditions (GC-1), dated December 26, 2014 – Highlights

- Specific OMB FAQs have been highlighted throughout
- Participant support costs have been modified to require prior approval for additional categories of participant support costs not identified in approved budget
- Project Reporting Requirements have been clarified to specify when a report becomes “overdue”

Revision of the Grant General Conditions (GC-1), dated December 26, 2014 – Highlights

- Expenditure reporting modified to establish the requirement that grantees must submit final financial disbursements no later than 120 days after the grant ends in the Award Cash Management Service.
 - This overrides the 90 days period identified in the Award & Administration Guide (AAG)
- Program Income Updated for consistency with AAG

Challenges to Date

- Ensuring program and administrative staff are up to date, and, knowledgeable about the new requirements
 - This is not new to the Uniform Guidance, but, given the number of changes, it remains a challenge
- Ensuring that the NSF proposer and awardee community are up to date, and, knowledgeable about NSF's implementation of the new requirements

Frequently Asked Questions

Uniform Guidance-related

- Which awards incorporate the new Uniform Guidance requirements?
- How does an awardee know which terms and conditions apply an award?
- If an existing award receives a non-funding amendment, is the amendment subject to the Grant General Conditions (GC-1) dated December 26, 2014?
- If an existing award receives an amendment and the new GC-1 is incorporated, is it necessary to request a retroactive approval for items that normally require prior approvals?

Frequently Asked Questions

Uniform Guidance-related

- **The Grant Proposal Guide states: "No supporting documentation is required for proposed rates of 10% or less of modified total direct costs." Is it therefore acceptable to allow less than 10% of modified total direct costs? If so, is 0% acceptable?**
- **We've received budgets from subcontractors who elect not to charge F&A at all. Is a 0% F&A rate acceptable in these cases?**
- **All travel must now be justified in Line E of the budget. How detailed must this request be to meet this requirement? For instance, if the name of a conference is available but not the exact date or location, is this sufficient?**
- **When might temporary dependent care costs be allowable?**

Frequently Asked Questions

Uniform Guidance-related

Visit the Policy Office website for FAQs on NSF implementation of the Uniform Guidance



The screenshot shows the NSF website's Policy Office page. The header includes the NSF logo and the tagline "WHERE DISCOVERIES BEGIN". A navigation bar contains links for HOME, FUNDING, AWARDS, DISCOVERIES, NEWS, PUBLICATIONS, STATISTICS, ABOUT NSF, and FASTLANE. A search bar is located in the top right corner. The main content area is titled "Policy Office" and lists the head as Jean Feldman. It describes the office's role in developing and implementing proposal and award policy. A sidebar on the left lists various offices and a search function. A red circle highlights a link to "Frequently Asked Questions on NSF's Implementation of 2 CFR § 200".

Office of Budget, Finance and Award Management (BFA)

Policy Office

HEAD: Jean Feldman

The Policy Office in the [Division of Institution and Award Support](#) is responsible for developing, implementing and issuing proposal and award policy for the programs of the National Science Foundation and is available to assist you with questions involving policy related issues. Questions related to specific awards should be directed to the [Division of Grants and Agreements](#).

Grants & Cooperative Agreements:

- [Proposal & Award Policies & Procedures Guide \(PAPPG\)](#), effective December 26, 2014 - the PAPPG is NSF's implementation of 2 CFR § 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance)
- **NEW** [Frequently Asked Questions on NSF's Implementation of 2 CFR § 200](#)
 - For guidance on proposals submitted or due, and awards made before December 26, 2014, continue to reference the [PAPPG dated February 2014](#)
- [Policy & Guidance](#)

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